

**IN THE UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF TENNESSEE**

**IN RE: WILLIAM TAGG
Debtors**

**CHAPTER 11
CASE NO. 21-23424-JDL**

TRUSTEE'S FIRST STATUS REPORT PURSUANT TO 11 U.S.C. § 1188(C)

COMES NOW Craig M. Geno, the operating Subchapter V Trustee in the above styled and numbered case (the "Trustee"), and files this his *First Status Report Pursuant to 11 U.S.C. § 1188(c)* (the "Report"), and in support thereof, would respectfully show unto this Honorable Court as follows, to-wit:

1. In this Subchapter V Chapter 11 case, the Debtor initiated this case by the filing of its Voluntary Petition on October 18, 2021, and proceeded as Debtor-in-possession.

2. I was appointed as Subchapter V Trustee on October 20, 2021.

3. The Office of the United States Trustee (the "UST") filed its *Motion to Remove Debtor as Debtor-in-Possession Pursuant to 11 U.S.C. § 1185(a)* [DK #121] to remove Debtor as Debtor-in-possession pursuant to 11 U.S.C. § 1185(a). On March 17, 2022, the Court heard and considered the motion to remove and granted it pursuant to an Order [DK #123] entered on March 22, 2022, removing the Debtor-in-possession so that I became the operating trustee.

4. The Court has also entered its Order [DK #137] authorizing the sale of the first floor of a Florida condominium project that is technically titled to Charleston II Builders, Inc. This first floor is sometimes referred to as Unit 1 or Unit A. Subsequent to the entry of the order authorizing the sale of Unit 1, the Trustee, the Debtor and PHH Mortgage Corporation ("PHH") have worked diligently to supply documents and related papers requested by the entity that is conducting the closing of the sale of Unit 1 to the purchaser, who is noted in the sale order. Some of the requested documents have been submitted. Some are in transmission and the Trustee anticipates a closing of

Unit 1 during the week of May 23, 2022. The sale proceeds will be used to pay, in full, the purported first lien of PHH, with the remaining funds being returned to the Trustee for deposit in an interest-bearing, escrow account, established pursuant to the rules and regulations established by the Office of the United States Trustee.

5. In the meantime, the Debtor has caused to be transferred to the Trustee the sales proceeds of a lot that was sold by Charleston II Builders, Inc. in Germantown, Tennessee. The Trustee is depositing those funds also into an interest-bearing, escrow account, established pursuant to the rules and regulations established by the Office of the United States Trustee.

6. The Debtor and the Trustee continue in discussions with respect to possible claims objections to the claims of secured creditors in this case, and also with respect to the funding of the remaining claims (after PHH is paid) in the case by members of the Debtor's family incurring sufficient debt to pay the "shortfall" of the remaining creditors' claims that will exist once the sale of Unit 1 has been concluded.

7. Lastly, once the Trustee receives the settlement statement from the sale of the Germantown, Tennessee, lot, a report of sale will be filed, even though that property is technically titled to Charleston II Builders, Inc. The funds will be dealt with at a later point in this case.

8. Otherwise, the administrative functions of the case are being carried out. The Debtor has not filed his monthly operating reports but is in the process of doing so. Once the Debtor files the monthly operating reports up to the point in time when I was appointed as operating trustee, then I will pick up the obligation of filing monthly operating reports from that date forward until the conclusion of the case.

THIS, the 19th day of May, 2022.

Respectfully submitted,

CRAIG M. GENO, SUBCHAPTER V TRUSTEE

By His Attorneys,

LAW OFFICES OF CRAIG M. GENO, PLLC

By: /s/ Craig M. Geno
Craig M. Geno

OF COUNSEL:

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CERTIFICATE OF SERVICE

I, Craig M. Geno, do hereby certify that I have caused to be served this date, via electronic filing transmission, a true and correct copy of the above and foregoing to the following:

Jamaal M. Walker, Esq.
Office of the United States Trustee
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Reid Stephens Manley, Esq.
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Ted I. Jones, Esq.
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THIS, the 19th day of May, 2022.

/s/ Craig M. Geno
Craig M. Geno